

ASSEMBLY BILL

No. 40

Introduced by Assembly Member Runner

December 2, 2002

An act to add Article 1 (commencing with Section 84700) to Chapter 5 of Part 50 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 40, as introduced, Runner. Community colleges: apportionments: equalization adjustments.

Existing law establishes a funding system for the public schools of the state. The existing funding system includes provisions for apportionments to community college districts.

This bill would require the Chancellor of the California Community Colleges to annually compute an equalization adjustment for the credit program general purpose apportionment of each community college district per full-time equivalent student (FTES) in credit programs. The bill would specify the computations to be made by the chancellor to determine the statewide target amount per credit FTES for the 2003–04 fiscal year and in subsequent fiscal years. The bill would require the chancellor to allocate the funds appropriated for this purpose to each community college district for which the credit apportionment per credit FTES is less than the statewide target amount.

The bill would require the Legislative Analyst's Office to conduct a review of the progress of equalization funding by January 1, 2006, and to report the results of this review in its Analysis of the Budget Bill for the 2006–07 fiscal year.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 1 (commencing with Section 84700) is added to Chapter 5 of Part 50 of the Education Code, to read:

Article 1. Equalization Adjustments

84700. (a) The Chancellor of the California Community Colleges shall annually compute an equalization adjustment for the credit program general purpose apportionment of each community college district per full-time equivalent student in credit programs.

(b) For the purposes of computing the equalization adjustment for each community college district for the 2003–04 fiscal year, the chancellor shall make all of the following computations to determine the statewide target amount per credit FTES:

(1) Determine three categories of districts based on the following levels of credit FTES:

(A) Small community college districts, with less than 5,000 credit FTES.

(B) Large community college districts, with at least 5,000 credit FTES but less than 60,000 credit FTES.

(C) Very large community college districts, with 60,000 or more credit FTES.

(2) Exclude, from each category determined under paragraph (1), any district with a credit apportionment per credit FTES exceeding seven thousand dollars (\$7,000), and rank the remaining districts by credit apportionment per credit FTES in descending order within each category set forth in paragraph (1).

(3) Determine, based on the rank order established in paragraph (2), the credit apportionment per credit FTES above which districts are enrolling approximately 10 percent of the total credit FTES for each category set forth in paragraph (1).

(4) For purposes of this section, the amount determined pursuant to paragraph (3) for each category set forth in paragraph (1) shall be the target amount for community college districts within that category.

(5) Calculate the amount necessary to increase the credit apportionment per credit FTES received by each community college district that received less than the target amount in the

1 2002–03 fiscal year to the target amount for community college
2 districts in its category, and inform the Legislature of this amount.

3 (6) Allocate any funding appropriated in the annual Budget Act
4 for purposes of this article to each community college district for
5 which the credit apportionment per credit FTES for the 2002–03
6 fiscal year was less than the target amount.

7 (c) For the purposes of computing the credit apportionment per
8 credit FTES equalization adjustment for each community college
9 district for the 2004–05 fiscal year and subsequent fiscal years, the
10 chancellor shall make the computations set forth in subdivision (b)
11 that are appropriate for that fiscal year.

12 (d) As used in this article:

13 (1) “Credit apportionment” means the credit program general
14 purpose apportionment.

15 (2) “Credit FTES” means full-time equivalent students in
16 credit programs.

17 84700.5. If the funding appropriated for the purposes of this
18 article in any fiscal year is insufficient to fully fund the
19 equalization adjustments calculated pursuant to Section 84700,
20 the chancellor shall allocate the available funds on a prorated basis
21 to the amounts computed pursuant to paragraph (5) of subdivision
22 (b) of Section 84700.

23 84701. If the computation made pursuant to paragraph (4) of
24 subdivision (b) of Section 84700 yields a target amount for large
25 community college districts, as defined in subparagraph (B) of
26 paragraph (1) of subdivision (b) of Section 84700, that exceeds the
27 target amount for very large community college districts, as
28 defined in subparagraph (C) of paragraph (1) of subdivision (b) of
29 Section 84700, the chancellor shall dissolve the very large
30 community college district category, and include the very large
31 community college districts within the large community college
32 district category.

33 SEC. 2. By January 1, 2006, the Legislative Analyst’s Office
34 shall conduct a review of the progress of equalization funding. The
35 Legislative Analyst Office shall report its findings in its Analysis
36 of the Budget Bill for the 2006–07 fiscal year.

